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ABSTRACT

This teller training module on offline banking systems is intended to be part of a postsecondary financial applications course. The module contains the following sections: module objective; specific objective; content--electronic audit machine key functions, practice packet--sample bank transactions and practicing procedures, and evaluation--proper completion of packet and examination packet; methodology; activities; a list of resources; and evaluation. The following attachments are included with this module: offline banking systems activities; practice packets A-D; two exams; an examination answer sheet; and an instructional manual for Sharp Electronic Teller Machines--start of day procedures, sample transactions, error corrections, and end-of-the-day balancing. (NLA)

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High-Technology Training Module

Module Title: TELLER TRAINING MODULE:

OFF-LINE BANKING SYSTEM

Unit:

Course: FINANCIAL APPLICATIONS

Grade Level (s): POSTSECONDARY

Developed by: CANDYCE J. LUND

Date: JANUARY, 1990

School: CHIPPEWA VALLEY TECHNICAL COLLEGE

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TITLE: Teller Training Module: Off-Line Banking System

DESCRIPTION: Understanding high technology banking processes starts with the basic 'off-line' banking system. This module provides the student training in this type of banking system. Prerequisites to this module include knowledge of typical bank transactions and basic accounting principles.

The module was designed to be utilized in a second semester class (Financial Applications at CVTC) after the student had successfully completed a class in banking theory (CVTC's Introduction to Finance).

NAME: Candyce J. Lund

SCHOOL: Chippewa Valley Technical College
Eau Claire, Wisconsin

MODULE OBJECTIVE: The student will apply theory learned in Introduction to Finance to a practical application practice set utilizing simulated bank transactions and bank forms. The student will be able to operate teller machines with 100% accuracy.

SPECIFIC OBJECTIVES: The student will be able to:

1) recognize various bank transactions;
2) accept transactions;
3) document transactions on an electronic audit machine (teller machine);
4) provide proper receipt to customer;
5) balance transactions and teller cash drawer;
6) assist customers in the proper completion of bank forms.

CONTENT:

1) Electronic Audit Machine (Teller Machine)
   a) Key functions
   b) Department key functions
   c) Balancing key functions

2) Practice Packet
   a) Sample bank transactions
   b) Balancing procedures

3) Evaluation
   a) Proper completion of packets
   b) Examination packet

METHODOLOGY:

1) Review 'off-line' vs. 'on-line' banking systems.
2) Review banking forms (deposit tickets, withdrawal tickets, cash in, cash out, credit/debit memos, general ledger accounts, etc.).
3) Introduce SHARP electronic audit machines. Demonstrate key functions and balancing functions. Demonstrate day opening procedures.
4) Show copies of key functions (Addendum A). One copy will be located at each machine.
5) Explain practice sets.
6) Demonstrate sample transactions:
   a) DDA deposit, single and multiple checks
   b) Savings deposit and withdrawals
   c) Split deposits (cash being returned)
   d) Cashed checks
   e) General ledger transactions
      Ex: PMO's, Travelers checks, certified checks, and misc. fee charges
   f) Loan payments
7) Demonstrate balancing.

ACTIVITIES:

1) Observation of module introduction and demonstration
2) Preparation of sample bank transaction packet from master list. (Four masters of 15 transactions each)
3) Working on teller machine utilizing practice packets A, B, C, and D. (CVTC utilizes a SHARP electronic audit machine, Model BE-2510L)
4) Completing Packet D with 100% accuracy
5) Examination packet to be completed

RESOURCES:

1) Instruction Manual: SHARP Electronic Audit Machine
2) Teller Operations, The Institute of Financial Education

EVALUATION:

Students will be evaluated on accuracy of performing simulated banking transactions. Students may practice Packets A, B, C, and D until perfected. With a perfect Packet D, students may take an exam. Examination will consist of a packet similar to practice packets.

Students must accurately document transactions, correct customer errors on forms, and "balance" at end of exam.

Students will receive 100 points for perfect practice packet, 80 points for perfect exam and 10 extra credit points if balancing is accurate on first try. If student has balancing error, they have one class period to locate error and make correction. When found, students will receive 50 points. If not found, zero points are awarded.

OFF-LINE BANKING SYSTEM

I. Perform Start of Day procedures as outlined in Instruction Manual. Use the teller number assigned to you by instructor. Starting cash is $3,000.00.

II. Proceed with transactions. Check the forms for completeness and accuracy. Part of the final exam will be to spot errors and recommend corrections.

III. Remember the following rules to make your work easier.

All cash coming into your drawer MUST be accounted for by a CASH IN (CI) ticket.

All cash leaving your drawer MUST be accounted for by a CASH OUT (CO) or CASHED CHECK (CC) -- not both, one or the other.

An account number MUST always be entered with each and every transaction.

The proof department MUST have a complete record of each transaction. This means that they must be able to look at the forms and checks that you send them and know exactly what the transaction was. For example:

> If a $75 check was used to make a $60 deposit and $15 was requested back in cash and the only proof received was the deposit ticket and check, they would not know if there was an error or if cash was given back. Furthermore, the debits wouldn't equal the credits in the transaction. Thus, we need a CO for $15.

If you keep the above four things in mind as you go over the transactions, the procedures will make more sense.

It is important that you attempt to understand WHY each step is being performed. There are too many types of transactions to memorize the steps involved -- you MUST REASON THEM OUT in order to remember them.

The teller machine key must be in <u>REG</u> position.

BANK CHARGES:

Certify checks	$5.00
Travelers checks	1% of purchase
PMO's	$.50 each
Photocopies	$.10 each
Notary fee	No charge to customers $.50 for non-customers
Telephone transfer	$1.00
Cash advance	$5.00

PACKET A

1. Deposit to DDA: $50 check
2. Deposit to Sav: $25 cash
3. Cashed on-us check: $75.00
4. Deposit to DDA: $350 check, $75 check, $12 cash
5. Savings withdrawal: $1500 check
6. Purchased CD: $5000 check
7. DDA deposit/cash returned: $314.18 less $50
8. DDA deposit: $50
   Sav deposit: $50
   One check received: $100
9. DDA deposit/Cash returned: Checks: $396.42, $200, $254.50
   Cash: $100
   Less $25 cash
10. Loan payment: $96.16: Check $96.16
11. Sell PMO $25.18 (Payable to NSP); Fee $.50
    Received $30.00 cash
12. Sav deposit: $1000 cash
13. DDA deposit: Checks $498.15, $500, $125, $1.00
14. Cashed checks: $25, $50, $154.50
15. Sell travelers checks (5 @ $20); Fee $10
    Deduct total from savings

PACKET B

1. Telephone transfer: $300 from checking to savings
   Deduct $1.00 fee from checking
2. Certify on-us check: $5500; Fee $5.00
   Fee paid in cash. (Remember to transfer funds to GL acct)
3. Savings withdrawal: $100 cash
4. Christmas club deposit: $15 cash
5. Notarized form for non-customer: $50 cash fee
6. Loan payment/cash returned: $314.94
   Received payroll check for $396.50
7. DDA deposit: $500
   Sav deposit: $300
   Check received: $1052.60/cash returned
8. Payroll check cashed: $432.70
   Purchased $150.00 PMO, fee of $.50
9. Made four photocopies for customer
   Fee $.10 each/collected cash
10. Savings withdrawal: $225.00 cash
11. Telephone transfer from DDA: $195.36 to loan payment
    Deduct fee $1 from DDA
12. Savings deposit: $50.00 cash
13. DDA deposit: $700
    Sav deposit: $150
    PMO purchase: $27.75, $50.00
    PMO fee collected: $.25 each
    Loan payment: $88.65
    Received: Checks: $950.00, $237.62; Cash returned
14. DDA deposit: $426.93
15. Buy $1000 from vault

PACKET C

1. Sav deposit: $200 cash
2. DDA deposit: Checks $400, $15; Cash $15
3. Sell PMO's: $56.18, $43.00, $150.00; Fee $.25 each
   Cashed on-us check $300; Balance of Cash returned
4. Telephone transfer: $300 from DDA to Sav
   Deduct $1 fee from DDA
5. Loan payment: $187.34
   Received check $125.45; balance in cash
6. Christmas club payment: $30.00 check
7. Cashed payroll check: $283.44
8. DDA deposit: $693.33
   Sav deposit: $348.47
   Received check: $1247.80; Balance to customer
9. Certify check: $10,500.00; Fee $5.00
   Deduct fee from savings
10. Sell travelers checks: $250; fee 1%
    Wrote on-us check for total due
11. Sav withdrawal: $400 Disburse check
12. DDA deposit: Checks: $705.63, $500, $2.50, $25.00
13. Loan payment: $364.90
    Received check for proper amount
14. Cashed checks: $53.44, $10.00, $284.83
15. Savings withdrawal: $10 cash

PACKET D

Packet D will indicate the customer's transaction. You will need to determine what bank forms to utilize. Pay close attention to the customer's forms. The unit exam will require that you make any necessary corrections to customer forms.

Bank charges:

Certify checks	$5.00
Travelers checks	1% of purchase
PMO's	$.50 each
Photocopies	$.10 each
Notary fee	No charge to customers $.50 non-customer
Telephone transfer	$1.00
Cash advance	$5.00

1. Sav withdrawal: $100 cash
2. Cash payroll check: $265.90
3. Sell PMO: $25.00
   Collect cash
4. Invests $1200 in CD. Transfer from DDA
5. Pays rent on safe deposit #32: $16.00 on-us check
6. Christmas club deposit: $15.00 on-us check
7. Sav withdrawal: $300 check
8. Sell $500 to vault
9. DDA deposit: $80.00, $100.00, $134.25 checks
10. Sav deposit: $1200.00; check received $1300.00
11. Loan payment: $365.00 cash
12. Certified check: deduct fee from account
13. DDA deposit: $200 cash
14. Sav deposit: $80.00 check
15. DDA $250; Sav $100; Check received $400

EXAM I

OFF-LINE BANKING SYSTEM

General Ledger Accounts:

Travelers Checks	2110
Personal Money Orders	2111
Certified Checks	2112
Savings Bonds	2113
Cash Advance	2114
Misc. Fee Income	3110

Bank Charges:

Certified Checks	$5.00
Travelers Checks	1% of purchase
PMO's	$.50
Photocopies	$.10
Notary Fee	No fee to customers $.50 for non-customers
Telephone Transfer	$1.00
Cash Advance	$5.00

Complete each transaction on the teller machine. On answer sheet, indicate any problems with customers transaction and note what corrective action would be taken. Do not write on the forms or on the exam.

Today's date is July 12, 19XX. Your teller number is 101. Your starting cash is $500.00.

1. Cashed on-us check
2. DDA deposit with cash returned
3. Loan payment received with check
4. Savings withdrawal
5. Cashed checks
6. Telephone transfer: Savings to checking
7. Sell $100.00 U.S. Savings Bond
8. Certified check request
9. DDA deposit, checks and cash
10. Savings deposit, cash
11. Sell PMO
12. Loan payment, cash and check
13. DDA deposit, Savings deposit, cash returned
14. Telephone transfer, savings to loan
15. Notarized form for non-customer

Count your cash by adding it on the teller machine. Do this PRIOR to running totals.

Run teller totals.

Submit to instructor exam, answer sheet, audit tape, and transactions.

EXAM II

OFF-LINE BANKING SYSTEM

General Ledger Accounts:

Travelers Checks	2110
Personal Money Orders	2111
Certified Checks	2112
Savings Bonds	2113
Cash Advance	2114
Misc. Fee Income	3110

Bank Charges:

Certified Checks	$5.00
Travelers Checks	1% of purchase
PMO's	$.50
Photocopies	$.10
Notary Fee	No fee to customers $.50 for non-customers
Telephone Transfer	$1.00
Cash Advance	$5.00

Complete each transaction on the teller machine. On answer sheet, indicate any problems with customers transaction and note what corrective action would be taken. Do not write on the forms or on the exam.

Today's date is July 13, 19XX. Your teller number is 201. Your starting cash is $500.00.

1. Savings withdrawal, check
2. Cashed checks
3. DDA deposit, checks and cash
4. Loan payment, check with cash returned
5. Savings deposit, PMO purchase and 3 photocopies
6. Certified check
7. Sell $1000 in travelers checks
8. Cashed checks
9. Savings deposit with cash returned
10. Savings withdrawal, cash and check
11. DDA deposit with cash returned
12. Savings withdrawal
13. Loan payment with check
14. Savings deposit, cash
15. Sell PMO, $250 cash

Count your cash by adding it on the teller machine. Do this PRIOR to running totals.

Run teller totals.

Submit to instructor exam, answer sheet, audit tape, and transactions.

OFF-LINE BANKING SYSTEM
EXAMINATION ANSWER SHEET

1.

2.

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OFF-LINE BANKING SYSTEM

INSTRUCTION MANUAL: SHARP ELECTRONIC TELLER MACHINES

The teller machine is one of the basic tools of the bank teller. The SHARP Electronic Audit Machine (Teller Machine), Model BE-2510L is one such machine. There are other makes and models that you may encounter, but they work on the same theory.

When you complete this unit, you will be able to operate a teller machine with 100% accuracy in transactions and balancing using a packet of simulated materials.

The following illustration shows the keyboard layout. Review each key and its functions.

KEY FUNCTIONS

P/F	Paper Feed	Feeds rapidly when held down.
CLEAR	Clear	For clearing an incorrect numeric entry, also clears mis-operations. Note: If form light is on (F on left side of display), form must be inserted to operate or clear machine.
R/N	Reading Net	If starting cash was entered, this key will give a reading of "cash in drawer". Can be used as often as desired during the day. If starting cash was not entered, will give difference between ins and outs.
R/TTL	Read Total	If MODE key in PGM, it subtotals Batch If MODE key in BTL, it totals Batch If MODE key in REG, it subtotals Daily Totals If MODE key in Z, it totals Daily Totals
DUP	Duplicate	Must be depressed after deposit key to complete that operation. Also if MODE key in PGM, used to set date. Also used when customer desires extra receipts. May be depressed after using any of the validation keys to print duplication of the validation. Prints a D behind transaction number.

REP	Repeat	Can be used to repeat any amount that shows on the display. EXAMPLE: With an all cash deposit, make the cash in, then depress the REP key. Then deposit and dup key can be depressed without re-entering the amount. Also used same way to repeat amounts on adding machine.
ACCT#	Account no/ Non-add	Can be used to print account number on slip or directly on the audit tape. If on slip, move the slip to the right about 3" so it does not print over the amount. Also if MODE key in PGM, used to change teller number.
LIST	List	Operator would depress BEFORE cashing multiple checks for the same customer.
BAL	Balance	Operator would depress AFTER cashing multiple checks for the same customer to get the total cash owed to the customer.

KEYS

Manager Key	Mode switch key (PGM, BTL, REG, Z)
Power Switch Key	Turns machine on or off. Note: Machines are to be turned off when you are done using them.

MODE SETTINGS

Z	Used to clear grand totals (not batch totals) from the machine at the start of the day and the end of the day. Also used when making corrections on the following items: Cash In tickets, Cash Out tickets, Check Cashing, and deposit tickets.
PGM	At the start of the day, used for setting of teller number and date. . .during the day used as batch subtotal.
BTL	Used to pull individual batch totals. (Ex: check run totals).
REG	For normal operation and subtotaling of teller machine.

START OF DAY PROCEDURES

1. To enter your Teller Number
   a) Mode Switch: PGM
   b) Enter Teller Number
   c) Depress ACCT # key

2. To enter the date
   a) Mode Switch: PGM
   b) Enter date (MM-DD-YY)
   c) Depress DUP key

3. To clear ALL the machine totals
   a) Mode Switch: BTL
   b) Depress R/TTL key
   c) Mode Switch: Z
   d) Depress R/TTL key
   e) Return Mode Switch to REG

4. Check the following items on audit tape
   a) Teller Number
   b) Date
   c) All totals are zero

5. To enter the Beginning Cash Amount
   a) Mode Switch: REG
   b) Enter beginning cash amount
   c) Depress STARTING CASH key

SAMPLE TRANSACTIONS

DDA Deposits

1) Cash Only (REG mode)
   a. Enter Account #, depress ACCT # key.
   b. Enter amount of deposit.
   c. Insert deposit ticket.
   d. Depress Deposit key, remove deposit ticket.
   e. Insert receipt, depress DUP key*.
   f. Insert cash in, depress REP key, depress Cash In key.
   g. Remove cash in ticket.

2) Single Check/Multiple Checks
   a. Enter Account #, depress ACCT # key.
   b. Enter amount of deposit.
   c. Insert deposit ticket.
   d. Depress Deposit key, remove deposit ticket.
   e. Insert receipt, depress DUP key*.
   f. Remove receipt.

3) Cash and Check(s)
   a. Enter Account #, depress ACCT # key.
   b. Count currency and coin by denomination.
   c. Using the adding side of machine, add the currency and coin and TOTAL.
   d. Verify this total with cash listed by customer.
   e. If cash was added with teller machine, depress REP key, insert cash in ticket, depress Cash In key.
   f. If cash was not added with teller machine, insert cash in ticket, enter total amount of cash and coin, depress Cash In key.
   g. Enter deposit amount.
   h. Insert deposit ticket.
   i. Depress Deposit key, remove deposit ticket.
   j. Insert receipt, depress DUP key*.
   k. Remove receipt.

4) Split deposit (Cash returned)
   a. Enter Account #, depress ACCT # key.
   b. Enter amount of requested cash back.
   c. Insert cash out ticket, depress Cash Out key.
   d. Verify cash and pay out to customer.
   e. Enter amount of deposit.
   f. Insert deposit ticket.
   g. Depress Deposit key, remove deposit ticket.
   h. Insert receipt, depress DUP key*.
   i. Remove receipt.

   Note: If a customer is depositing cash AND wants cash back, you must make a Cash In for the amount received and make a Cash Out for amount paid out.

*Extra receipts can be validated by inserting form and depressing DUP key again.

Savings Deposits

These are run exactly like the DDA Deposits, except you use the Savings Deposit key instead of the Deposit key.

Savings Withdrawals

1. Check Withdrawal
   a. Verify account balance and signature.
   b. Enter Account #, depress ACCT # key.
   c. Enter withdrawal amount, insert withdrawal slip.
   d. Depress MISC key, remove withdrawal slip.
   e. Type check to customer for amount of withdrawal, noting account number in lower left corner and your initials.

2. Cash Withdrawal
   a. Verify account balance and signature.
   b. Enter Account #, depress ACCT # key.
   c. Enter withdrawal amount, insert cash out ticket.
   d. Depress Cash Out key, remove ticket.
   e. Insert withdrawal slip.
   f. Depress REP key, depress MISC key, remove withdrawal slip.
   g. Verify cash and pay out to customer.

Loan Payments

1. Check Payment
   a. Enter Account #, depress ACCT # key.
   b. Enter amount of payment.
   c. Depress Loan Payment key.
   d. If the customer wishes a receipt, insert receipt, depress DUP key, remove receipt.

2. Cash Payment
   a. Enter Account #, depress ACCT # key.
   b. Enter amount of cash received.
   c. Insert cash in ticket, depress CASH IN key.
   d. Enter amount of payment.
   e. Depress Loan Payment key.
   f. If the customer wishes a receipt, follow directions above.

3. Check Payment with Cash Returned
   a. Enter Account #, depress ACCT # key.
   b. Enter amount of requested cash back.
   c. Insert cash out ticket, depress CASH OUT key.
   d. Remove cash out ticket.
   e. Enter amount of payment.
   f. Depress Loan Payment key.
   g. If the customer wishes a receipt, insert receipt, depress DUP key, remove receipt.
   h. Verify cash and pay out to customer.

Cashed Checks

1. Single Check
   a. Enter amount of check.
   b. Insert check and validate on back by depressing Cash Check key. Validation must NOT be on the same edge as the MICR line.
   c. Verify cash and pay out to customer.

2. Multiple Checks for One Customer
   a. Depress List key (The L light on left of display will show that you are in the list mode.)
   b. Insert check and validate on back by depressing Cash Check key.
   c. Repeat Step B for each check.
   d. Depress BAL key. Amount will show on the display. This is what you owe the customer.
   e. Verify cash and pay out to customer.

3. Batch Checks
   a. TOTAL adding machining.
   b. Add accumulated cashed checks from the face of the check, depress TOTAL key.
   c. Set Mode Switch on PGM for subtotal of batch of checks. Depress R/TTL key.
   d. If you balance with listing of checks, set Mode Switch on BTL, insert cash out ticket, and depress CASH CHECK key.
   e. Tear off listing tape (if you have the two part listing tape) and send to proof with checks and cash out ticket.
   f. Turn Mode Switch back to REG

Note: If you do not balance with listing of checks, find the error(s) and use proper procedures to correct error(s). Once done, follow step 3c to verify balance. Once you complete Step 3d you can no longer correct that batch of cashed checks. Corrections at this point must be made using the CASH OUT key or saved until balancing.

General Ledger Receipts

General ledger receipts uses the MISC key with the account number being related to the proper general ledger account.

Travelers Checks	Acct 2110
Personal Money Orders	Acct 2111
Certified Checks	Acct 2112
Savings Bonds	Acct 2113
Safe Deposit Rentals	Acct 2113
Misc Fee Income	Acct 3110

Procedures for entering these transactions would follow the guideline for regular deposits.

ERROR CORRECTIONS

Errors will be corrected by turning the Mode Switch to Z and repeating the transaction exactly as you had entered it (the wrong way). Then the Mode Switch will be returned to REG so the correct transaction can be reentered.

Follow the steps below for CASH IN, CASH OUT, and DEPOSIT corrections:

1) Set Mode Switch to Z.
2) Depress CLEAR key.
3) Enter the amount that is printed on the form (the amount to be corrected).
4) Insert form upside down and depress the same key that you depressed originally.
5) Return Mode Switch to REG.

You have now removed the mistake from the machine totals. The machine will have printed C---------in front of the amount to indicate this.

6) On REG proceed to do the correct transaction.

Follow the steps below for CASH CHECK corrections:

1) Set Mode Switch to Z.
2) Depress CLEAR key.
3) Enter the amount that is printed on the back of the check (the amount to be corrected).
4) Insert a blank form and depress the CASH CHECK key.
5) Return the Mode Switch to REG.
6) Void incorrect entry on back of check by drawing a line through it.
7) Insert the check upside down and do the correct transaction.

END OF THE DAY BALANCING

1. Take final check run (Batch checks).

2. Make other tickets that may be required at this time. An example would be for those institutions that make up one Cash In for all misc. fees at the end of the day.

3. Count and list all cash by denomination on the adding machine part of the teller machine. Remember to depress the TOTAL key prior to starting.

4. In REG MODE, subtotal by depress R/N key. The total of currency should match the R/N total. If it matches, go on to step 5. If not, verify if you have entered your starting cash.

5. Depress R/TTL key to obtain teller totals.

6. After balancing, clear Grand Totals as follows: Mode Switch to Z, depress R/TTL key. The machine will print the totals twice.